



Department of Health, Education, and Welfare

MANAGEMENT NOTES

Number 14

OFFICE OF ADMINISTRATION

November 1963

STATEMENT BY THE PRESIDENT TO THE CABINET--(White House Press Release September 23, 1963)

Almost a year has passed since we initiated a Government-wide drive to limit increases in Government employment by making more efficient use of manpower. Each agency has developed and put into effect a manpower control program tailored to the nature of its operations. These programs involve critical reexamination of the work to be performed, improved methods of determining minimum manpower requirements, new systems for controlling hiring and use of personnel, intensified efforts to raise employee productivity, and selective test checks to measure the results of the program.

The record of achievement to date is most encouraging. We have demonstrated that it is possible, despite the steady increase in workloads caused by the growth of our population and our economy, to keep a tight rein on Federal employment. Over the course of the fiscal year which ended June 30, Federal civilian employment would have increased by more than 40,000 if it had grown only at the same rate as population; it would have increased by over 100,000 if it had grown at the same rate as employment by State and local governments; in fact, it grew by only 5,600. I want to commend every agency head and every Government worker who had a part in producing this excellent record.

In the present fiscal year and the next, I ask every Cabinet member and every agency head to make certain that there is no slackening in our efforts to improve the control and utilization of manpower. In view of last year's achievement, the year-end employment estimates for the present fiscal year which appear in the January budget are already obsolete. I have asked the Budget Director to take the lead in developing new and tighter employment targets for the end of the present fiscal year, and to set them at levels which cannot be realized except through the introduction of further improvements in manpower management. The same guidelines will be used in evaluating the 1965 employment plans which agencies will shortly submit as part of their 1965 budget.

CLEAN-UP CAMPAIGN

The Department of Health, Education, and Welfare initiated a comprehensive Clean-Up Campaign during the month of October to alleviate the critical space situation in both headquarters and field. This campaign enlisted the concentrated effort of every person throughout the Department in ridding offices of non-essential records, non-record materials, and excess supplies, equipment, and furniture.

The first progress report on October 17, indicated that 7,345 cubic feet of records had been destroyed, 1,325 cubic feet of records had been transferred to Federal Records Centers, and 1,388 pieces of surplus furniture, equipment, and miscellaneous supplies had been returned to stock. A final report will be published in the next issue of Management Notes.

REVISION OF DEPARTMENT-WIDE PROMOTION PLAN

The Department has revised the promotion plan for filling vacancies at grade GS-13 and above in the following types of positions: personnel administration and industrial relations; management analysis; budget and accounting; financial management, accounting; and budget administration. These job series, in general, encompass positions requiring specific management skills which are applicable in any organizational segment of the Department.

This revised plan does not change the basic features of the promotion plan, such as positions covered, area of consideration, qualifications requirements, evaluation and selection of candidates and formal review procedures. It does, however, provide a more effective and less cumbersome procedure for registering, evaluating, and referring candidates.

The new plan will assure the consideration of the best qualified employees when higher level positions in these occupations are

MOBILITY, STABILITY, AND STERILITY

This editorial by Rufus E. Miles, Jr., Administrative Assistant Secretary, Health, Education, and Welfare, appeared in the September 1963 issue of the Public Administration Review.

Listening to frequent discussions of occupational mobility makes one wonder whether persons who have gone stale on their jobs conclude therefrom that more mobility would be good for everybody, while those who are happy or smug in theirs decide that what we need is more stability for everybody. As on so many matters, how one stands on this subject depends on where one sits.

Vertical mobility, as long as its direction is up, is popular here and in the hereafter. Promotion in most governmental enterprises is supposed to be based on demonstrated knowledge and competence. Teachers and Congressmen prefer the seniority system, but the merit system of promotion, at least in theory, is well established in the Executive Branch of the Federal Government and in most State and large city governments.

Horizontal mobility is the big morass. Discussions of this subject range from extending the principle of planned reassignments within a closed career personnel system--such as the Foreign Service--to portable pensions to permit persons to move from any job in any personnel system to any other job in the country--or in international service--without the impediment of major loss of pension and insurance rights.

Historically, civil service personnel systems have implicitly accepted the principle of stability, especially stability within relatively narrow classification series. For example, once a young man or woman with first-class ability is placed on one of the various position series escalators, the chances are he will move up rapidly to a grade-level where he can no longer consider broadening his experience and usefulness by transferring to another position series. To do so, he would have to step back one or more grades. The most he can hope for, as a means of gaining breadth of perspective, is to be given the opportunity for participation in a training program ranging from a week or two to a school year. Important as such training programs are, they cannot by themselves produce the breadth of understanding made possible by a career which encompasses a significant variety of experience.

If one had to choose between breadth gained from experience in a variety of responsible positions and breadth gained from a single type of experience supplemented by selected

training courses, the choice would have to go to the former. But, there is no good reason why such a choice should have to be made. Broad experience, consciously sought and planned, supplemented by appropriate training in mid-career, should be the means of producing future top-management personnel for government. While there has been a burgeoning, in recent years, of programs to provide the supplementary training needed by future leaders of our public service, there has been little effort exerted to reconsider and reconstruct civil service systems to introduce positive means and incentives toward the development of broadly experienced managerial personnel.

The need for such reconstruction of personnel concepts extends far beyond the field of executive development. It applies to the thousands of people who are frustrated or bored for reasons that should be within the capacity of management to overcome, if not by adjustments within the job situations then by appropriate reassignment to other positions within the same personnel system. Lives of quiet desperation do not need to be as numerous or as inevitable as Thoreau suggested.

Little account is taken in civil service personnel systems of the value to management and to the employees of selective shifts in assignment when no promotion is involved. In the military and foreign service such shifts are not only respectable; they are a way of life. In the civil service, far from being a way of life, they carry the connotation of maladjustment and are generally avoided except in extremity. The upsurge of discussion of mobility among civil servants is an evidence of revolt against the unimaginative application of the principle of stability. When there is too much of it, stability can become sterility.

There is a groping for a new basic concept or principle to underlie civil service personnel systems and perhaps others, which will shift the balance toward greater flexibility in the systems. Here, for discussion, is a suggested principle:

Since the requirements of positions and the personalities of people change at varying rates and in many directions, it should not be assumed that an employee, once appropriately assigned to a job, and the job itself will develop in harmony with one another. Employees and management have separate and joint responsibilities to review periodically not only the traditional question as to how well each employee

001076109

0002196

is performing his job and how he can improve his performance, but whether the job is drawing out the best in the man--not the best as a theoretical abstraction, but the best among practical alternatives. It is in the long-range interest of employees, of management, and of society generally, if personnel systems are designed and operated so as to facilitate and encourage job shifts of employees who need change to stimulate growth, to broaden them, and to call forth their best efforts.

Like charity, mobility should begin at home. Opportunity for achieving its advantages is greatest and most immediate within existing public personnel systems, and then between these systems. While the adjustments which will be needed within the various federal, state, and local civil service systems, both legal and operational, will be extensive, that is where the real pay dirt lies during the years immediately ahead. Instead of continuing to talk about administrative mobility as if it were a subject which could be profitably pursued in a two-hour or even a two-day discussion, let us divide it up into manageable components and address ourselves intensively to making solid improvements where they can be made. As a starting point and demonstration project, why not take one or more public personnel systems, such as the United States Civil Service, and explore in depth what needs to be done to modernize it and move toward the general principle stated above, or a reasonable facsimile thereof?

VOUCHER EXAMINATION STUDY - ECONOMY THROUGH SAMPLING

Savings of about \$270,000 a year in the Department of Health, Education, and Welfare could accrue as the result of a recently completed study of the Department's voucher examination processes.

Representatives of the Office of the Secretary, Public Health Service, and Social Security Administration participated in the study under the general direction of Mr. James F. Kelly, Comptroller of the Department. The purpose of the study, which was conducted at the request of the Steering Committee of the Joint Financial Management Improvement Program, was to determine whether any savings would result from the application of statistical sampling techniques in the voucher examination process.

During a five-week period, each voucher examination office in the Department re-

ported on the number, size, and type of vouchers examined and the number and size of errors found. The study team compared dollar amounts of the errors discovered with the actual cost of examining the vouchers. This analysis disclosed that it costs the Department one dollar for every \$4.50 in errors uncovered in the examination of vouchers of \$100 or over. On the other hand, the Department recovers only about 17 cents for every dollar it spends in examining vouchers of under \$100.

Clearly, then, the examination of large vouchers more than pays for itself; conversely, the examination of smaller vouchers is very costly compared with the dollar value of errors uncovered. The examination of these smaller vouchers can be justified therefore only for the purpose of assuring that applicable laws and regulations governing travel, transportation, commercial, and governmental vouchers are being observed. Examination of a scientifically selected sample of these smaller vouchers would accomplish this.

The Department has therefore recommended to the Bureau of the Budget that necessary legislation be obtained which would permit sample examination of vouchers and is encouraging other executive departments and agencies to join in co-sponsoring this legislation.

Following is the Department's plan for voucher examination which would be implemented when the necessary legislation is enacted:

1. All vouchers of \$100 or over would be examined on a pre-payment basis.
2. A scientifically selected sample of 10% of commercial, transportation, and governmental vouchers would be examined on a pre-payment basis.
3. Travel vouchers under \$100 would be sampled on a post-payment basis. Each traveler would have at least one travel voucher for less than \$100 examined each year. The traveler would not know which particular voucher would be examined but would know that at least one each year would be subject to review. This system would be more likely to deter bad practices than would a 10% sample.
4. The examination of governmental voucher would be limited to determining that the organization

involved has actually received the services or materials for which it is billed. Verification of dollar charges would be curtailed since in the final analysis the funds involved are merely transferred from one Treasury account to another.

Adoption of this plan would reduce the number of vouchers to be examined in the Department each year from about 630,000 to 260,000. Examination costs would be reduced by \$320,000. Since under the sampling plan about \$50,000 in errors would be undetected, the resulting net savings would amount to about \$270,000.

REVIEWING--AN AREA THAT INVITES INQUIRY

We expend much effort improving the writing ability of our employees, but do little to improve the equally difficult art of reviewing. Yet anyone who has worked in a bureaucratic environment recognizes that irrational review practices are a major cause of bottlenecks and loss of productivity. Such practices often cause the release of letters too late to achieve their purposes, the overloading of typing facilities, and the concentration by originators of correspondence on the goal of getting their material past the reviewers rather than communicating with the addressees.

Reviews can be highly beneficial, and most writers welcome a review which catches errors which might cause embarrassment or extra work. Unfortunately many reviews result in nothing more than wasted effort and frustration. Some causes of poor review practices are:

Personal aversions to certain words and phrases, even though they are generally accepted by grammarians and writers. A letter or document prepared in final form represents an investment of Federal funds. No one should nullify this investment because of purely personal preferences.

MANAGEMENT NOTES is published quarterly to inform DHEW personnel of management activities carried on in the Department and of developments in the field of administration. The Editor invites DHEW personnel to contribute articles for publication on their management activities and accomplishments. These contributions should be sent to: Editor, MANAGEMENT NOTES, Room 4270N, Department of Health, Education, and Welfare, Washington, D. C. 20201.

Excessive fastidiousness on rules. Many of the arbitrary rules of a generation ago no longer are accepted by progressive grammarians. Clear, effective writing, consistent with generally accepted modern usage, should be the criterion.

Exaggerated efforts to achieve brevity. Brevity may be the essence of literary merit but to achieve it requires work, time, and a measure of talent. A reviewer who rejects material because he finds that he is able to eliminate an occasional word or phrase is not saving work but causing it.

Change to justify the review. There seems to be a distinct tendency on the part of some reviewers to feel that the value of their review is in direct proportion to the number of "improvements" they are able to make. Most written material can be improved ad infinitum, but we are not required to turn out literary gems.

Vague speculation on what higher levels of review will accept. Here we are drawing a sharp distinction between knowledge and speculation. Not infrequently reviewers will turn back material which is acceptable to them but possibly might be rejected by someone at a higher organizational level. Few second guessers can boast high validity coefficients.

Inconsistencies of reviews. Every originator of written material is aware that his ability to get his material by reviewers is dependent to some extent on the changing moods of reviewers. If a reviewer is going through a period of insecurity, it may be extremely difficult to obtain his approval on a simple memo.

To avoid, or at least minimize these irrational review practices, one simple criterion is suggested:

"Will the letter or document achieve the objective for which it is intended without causing delay, confusion, ill-will, or reflecting unfavorably on the originating office or agency?"

If a letter or document meets this criterion, it should be approved. Of course, efforts should be continued to improve correspondence, but this can be achieved best through training and practice. It need not and should not be achieved at the expense of needlessly delaying essential communications.

(Based on an article from the May 1963 issue of Navy Management Review.)

001076109

0002197